



STATE OF WISCONSIN  
BOARD ON AGING AND LONG TERM CARE

1402 Pankratz Street, Suite 111  
Madison, WI 53704-4001  
(608) 246-7013  
Ombudsman Program (800) 815-0015  
Medigap Helpline (800) 242-1060  
Fax (608) 246-7001  
<http://longtermcare.state.wi.us>

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Contact: Donna Bryant  
(608) 246.7016

**Are Medicare Advantage Plans Really That Cheap?**

A "Medicare Advantage Plan" is an alternative way to receive your Medicare benefits. In 2005, these Medicare plans (originally called Medicare Plus Choice plans) were renamed Medicare Advantage Plans. With an Advantage plan, you receive your Medicare benefits from a private insurance company that has a contract with the federal government. A Medicare Advantage plan is not a Medicare supplement insurance plan and it is not a major medical health insurance policy.

Private insurance companies enter into an agreement with the federal agency that operates Medicare (CMS) to be your Medicare insurer. They agree to pay your health care bills. They agree to deliver all medically necessary Part A and Part B Medicare services when you join their Medicare Advantage plan. You receive all of your Medicare benefits in one contract. CMS agrees to pay a basic premium for this coverage to the insurance company. The plan may also offer extra benefits such as coverage for eyeglasses or prescription drugs.

Advantage Plans are allowed to charge an additional monthly premium to the individual. They are also allowed to have you share the cost of your care by paying co-pays and deductibles for certain visits and services. You only pay these costs as you receive services. If you have an x-ray, you may have a co-payment that is your share of the cost of that x-ray. Co-payments are due on the same day you go in for care. Some Advantage Plans have a maximum limit for the year on out of pocket expenses. If you reach that amount, you do not have to pay any more co-payments or deductibles during that year.

As of February 28, 2005, there are three different kinds of Medicare Advantage Health Plans in Wisconsin: Medicare Managed Care plans, Medicare Private Fee for Services plans and a Medicare Preferred Provider Organization (or PPO) plan. Current premiums for Wisconsin Advantage Plans range from \$0 per month to \$86 per month. Even if you are not paying a dime for the monthly premium, you may still have out-of-pocket cost sharing expenses to pay.

Medicare Managed Care Plans - Also called Medicare HMO's. In most of these plans, you can only go to doctors, specialists, or hospitals on the plan's list except in an emergency. You may also have to choose a primary care doctor and get referrals to see a specialist.

Medicare Private Fee-for-Service Plans - You can go to any Medicare-approved provider that is willing to give you care and is willing to accept the payment terms of your plan. The insurance company negotiates with providers how much it will pay and what your share will be.

Medicare PPO Plan - Medicare PPOs use many of the same rules as Medicare HMO's. However, in most cases, you can see any doctor or provider that accepts Medicare. But if you go to doctors, hospitals, or other providers who aren't part of the plan, you may pay more out-of-pocket. Every PPO plan is different in terms of what is covered "out-of-network" and how much you will have to pay.

For more information on Medicare Advantage Plans in your area, call the Medigap Helpline at 1-800-242-1060 and ask to speak to a counselor. If you would like to receive information in the mail, please let us know when you call.